

2016

Learner Transport in South Africa

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NATIONAL TREASURY

TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

1. Institutional Landscape

<p><i>Constitution of the Republic of South Africa (1996)</i></p> <ul style="list-style-type: none"> Section 29(1)(a) affords every South African the right to a basic education, and so a lack of transportation to and from school presents a hindrance to this right. Section 85(2)(b) mandates the Executive with the role of developing and implementing national policy which, by extension, includes national transport policy and learner transport policy more specifically.
<p><i>White Paper on National Transport Policy (1996)</i></p> <ul style="list-style-type: none"> The National Transport White Paper envisages a South African transport system that is able to provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.
<p><i>National Land Transport Act (2009)</i></p> <ul style="list-style-type: none"> The Act prescribes national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces and other matters contemplated in Section 146(2) of the Constitution (conflicts between national and provincial policy) The Act stipulates that where a public transport service is dedicated to transporting learners, students, teachers or lecturers, the Minister may prescribe regulations on special requirements for those services, including, but not limited to, requirements for supervision of learners, special requirements for drivers, requirements for insurance, documents that must be kept in the vehicle and special vehicle markings, as well as requirements that drivers of other vehicles must stop in the vicinity of vehicles loading or offloading learners or students.
<p><i>National Land Transport Strategic Framework (2015)</i></p> <ul style="list-style-type: none"> This National Land Transport Strategic Framework (NLTSF) is a legal requirement in terms of Section 21 of the National Land Transport Transition Act of 2000. It embodies the overarching, national five-year land transport strategy, which gives guidance on transport planning and land transport delivery by national government, provinces and municipalities for this five-year period.
<p><i>National Development Plan (NDP) (2012)</i></p> <ul style="list-style-type: none"> The National Development Plan (NDP) is a broad strategic framework that sets out a coherent and holistic approach to confront poverty and inequality. One of the priorities of the NDP is to improve the quality of education, skills development and innovation. An effective and efficient transport system for learners play pivotal role in the realisation of this objective of the NDP. Another objective of the NDP is to ensure that the proportion of people who use public transport expands significantly and that public transport becomes more user-friendly, less environmental damaging, cheaper and integrated.
<p><i>National Road Traffic Act (1996)</i></p> <ul style="list-style-type: none"> The Act provides for road traffic matters that shall apply uniformly throughout the Republic and for matters connected with these. Matters concerned refer to registration and licensing of motor vehicles, fitness of drivers and fitness of vehicles.
<p><i>National Education Policy Act (1996)</i></p> <ul style="list-style-type: none"> The act empowers the Minister of Basic Education to determine national norms and standards for educational planning, provision, governance, monitoring and evaluation. The Department of Basic Education is responsible for formulating policy, setting norms and standards and monitoring and evaluating all levels of education.
<p><i>South African Schools Act (1996)</i></p> <ul style="list-style-type: none"> Section 3 of the Act provides for a compulsory general education phase for ages seven to 15 or Grades 1 to 9. Provincial Members of Executive Councils (MECs) are responsible for providing school places for every child of eligible age.

FIGURE 1: A Summary of Legislation Affecting Learner Transport Policy in South Africa:

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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

1.1. Legislative environment

- 1.1.1. The right to education is enshrined in Section 29(1) of the Constitution of the Republic. Pertinent to the realisation of this right, is improving access to educational institutions and resources. The various learner transport programmes operating in the various provinces across South Africa are primarily geared towards dealing with improving the “access” aspect of the right to education.
- 1.1.2. Indeed, it has been the Department of Education (at provincial and national level) in its various forms since the adoption of the Constitution that has been mandated with the provision and realisation of this right as enshrined in the National Education Policy Act (1996) and South African Schools Act (1996). However, learner transport by its nature involves the development of an effective and reliable public transport system, albeit dedicated to a certain group of beneficiaries.
- 1.1.3. However, the mandate for the development of integrated public transport networks lies with the Department of Transport (at national, provincial and local level). In so far as learner transport is concerned, the National Land Transport Act (2009) empowers the Minister of Transport to prescribe regulations on special requirements for those services, including, but not limited to, requirements for the transportation of learners.
- 1.1.4. In effect, the policy and legislative environment around the transportation of learners in South Africa is quite ambiguous. It is ambiguous in the sense that there is no consensus as to which sector department the mandate to provide learner transport lies in.

1.2. Policy environment

- 1.2.1. While there is a draft National Learner Transport Policy from the National Department of Transport currently out for public comment, there is no nationally coordinated learner transport programme in South Africa. While the National Department of Transport has been responsible for developing policy for learner transport since 2012, it is the respective provincial governments that have been responsible for the implementation of the learner transport programme, that is:
 - Identifying the need for a learner transport programme, and the scope thereof;
 - Sourcing funds and budgeting for the learner transport programme; and
 - Designing and implementing the learner transport programme.
- 1.2.2. The respective provincial governments may or may not elect to have an official and documented policy that informs the design and implementation of its learner transport programme. For the purpose of this performance and expenditure review (PER), only FOUR provincial governments seem to run learner transport programmes informed by a specific and documented policy. That is to say, there is evidence of only four provincial learner transport policies, from the Western Cape, KwaZulu-

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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

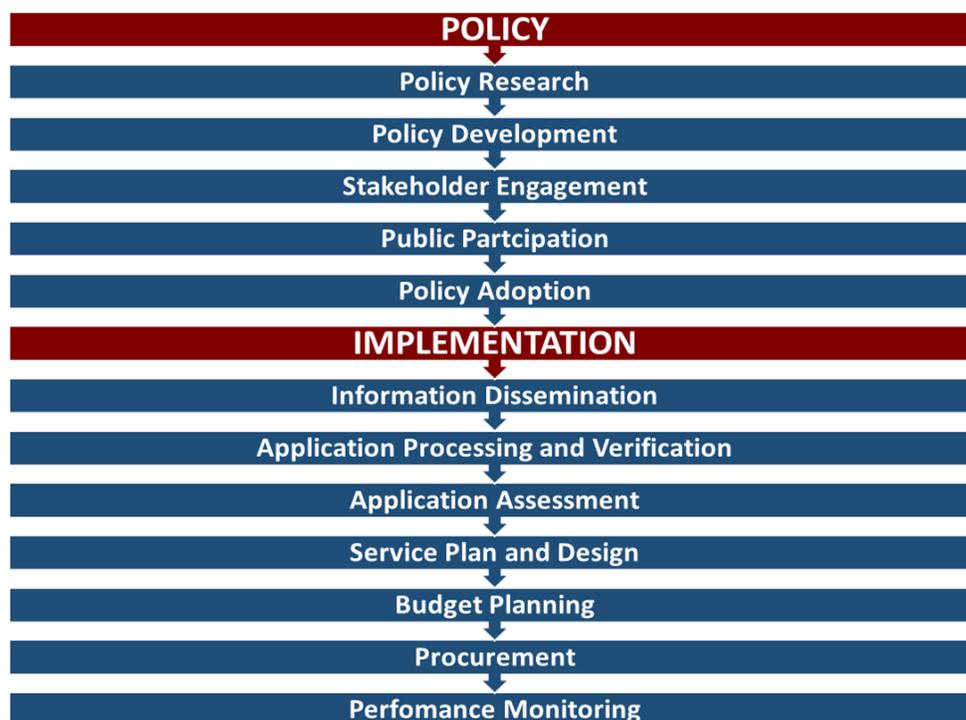
Natal, Limpopo and Gauteng. It is unclear what policy, if any, informs the learner transport programmes of other provinces.

- 1.2.3. Of the four provinces for which a documented learner transport policy was available, it is only in the Western Cape and Limpopo where one provincial department is wholly responsible for all elements of its learner transport programme, i.e. the Western Cape Department of Education and the Limpopo Department of Education.
- 1.2.4. The KwaZulu-Natal learner transport policy referred to a memorandum of understanding for shared responsibilities between the KwaZulu-Natal Department of Transport and the KwaZulu-Natal Department of Education. However, the policy was unclear as to what and which aspects of the learner transport programme lie within the responsibilities of which of the two provincial departments in KwaZulu-Natal.
- 1.2.5. In the case of Gauteng, there was once again a lack of clarity as to which provincial department is responsible for the learner transport programme. The policy referred to collaboration between the Gauteng departments of Transport and Education in drafting the provincial learner transport policy. However, the policy neglected to explicitly specify what and which provincial department oversaw which elements of the learner transport programme. It is actually not even clear whether collaboration between the two provincial departments extended beyond the drafting of the policy.
- 1.2.6. Much of the uncertainty around responsibilities in the learner transport policies of KwaZulu-Natal and Gauteng lied in the ambiguous nature of the legislative environment where learner transport was concerned. Indeed, there have been pronouncements of shared responsibility and collaboration between the respective departments of Transport and Education to deal with the ambiguity. However, the pronouncements (at least at a policy level) have not contained an explicit statement of the memorandum of understanding (which should clearly specify accountability) between the two departments in both provinces.
- 1.2.7. The ostensible lack of a documented learner transport policy in the provinces of the Eastern Cape, Free State, Mpumalanga, Northern Cape and North West has raised serious issues about the effectiveness of learner transport initiatives in those provinces. Intuitively, all implementation programmes should be informed by a policy that clearly outlines the aims, principles, scope and nature of the intended programme of action. Certainly, the source of funding, and the flows thereof, must be clearly defined with definitive rules and regulations that guide expenditure and reporting on the programme. Ultimately, an uncoordinated legislative and policy environment increases the likelihood of an ad hoc, inefficient and ineffective implementation programme that is lacking in both transparency and accountability.

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1.3. Programme Design

Figure 2: *The presumed structure of the learner transport programme*



1.3.1. Figure 2 shows the elements of the learner transport programme in the National Department of Transport as well as the various provinces. The National Department of Transport is currently solely responsible for *Policy* (at a national level at least), while the provinces are responsible for *Implementation*. The work of the National department of Transport has yet to lead to the promulgation of a national policy on learner transport. As such, the activities of the national department and the provincial departments with respect to learner transport are not linked in any discernible or significant manner. The respective provincial departments' own policies and programmes of action as far as learner transport is concerned inform the activities of the provinces. Indeed, the draft National Learner Transport Policy is meant to introduce some level of alignment, coordination and uniformity in the programmes of action of the national department and the various provincial departments responsible for learner transport.

1.3.2. The programme elements identified in Figure 2 were fleshed out from a survey of the existing and available provincial learner transport policies. They do not necessarily represent any documented programme structure in any particular province, but are a generalisation based on the contents of the learner transport policies of Gauteng, KwaZulu-Natal, Limpopo and the Western Cape:

- *Policy Research:* This element involves the review of existing published and/or peer-reviewed literature on learner transport from various sources. This may

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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

be done internally or through consultants to inform and/or form the basis of a policy on learner transport

- *Policy Development:* This involves the articulation and documentation of the policy as well as internal discussions and engagements on the policy.
- *Stakeholder Engagements:* This element involves workshops, seminars and meetings with other sector departments across all spheres of government, independent sector specialists, academics etc.
- *Public Participation:* This involves the publishing of the draft policy for public comment and the collation and incorporation of public comments into the policy. This is the current stage of the development of the National Learner Transport Policy developed by the National Department of Transport.
- *Policy Adoption:* This element involves the promulgation of the policy and preparing the relevant sector departments (across all government spheres) for the rollout of programmes set out by the policy.
- *Information Dissemination:* This involves informing all relevant stakeholders (particularly the beneficiaries) of how the learner transport programme works (the benefits of the learner transport programme) and how each stakeholder will be affected (how to take advantage of the benefits of the learner transport programme).
- *Applications Processing and Verification:* This element involves receiving applications from households to be enrolled onto the learner transport programme and verifying the details in the applications (address, school, household income etc.). This element is the responsibility of the provincial department of Education in the provinces – in collaboration with schools.
- *Applications Assessment:* This involves determining if the applications from households meet the set criteria to benefit from the learner transport programme. It also involves deciding how to prioritise the qualifying applications where resources are not sufficient. This element is also executed by the provincial department of Education in the provinces.
- *Service Plan and Design:* This element involves mapping out routes for transport operators, drawing up timetables etc. This is executed by the provincial department responsible for learner transport (Transport or Education) – in collaboration with schools.
- *Budget Planning:* This involves costing the various aspects of the learner transport programme and making provisions in the departments' budget to fund the programme.
- *Procurement:* This element involves advertising tenders for transport operators, appointing operators and paying the operators.

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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

- *Performance Monitoring:* This element involves developing rules and procedures for reporting on financial and non-financial performance of the learner transport programme. It also involves providing oversight over the transport operators, schools and programme managers. This element is currently lacking in all provincial policy documents surveyed.

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2. Expenditure Analysis

FIGURE 3: *Distribution of expenditure by economic classification from 2012/13 to 2014/15*

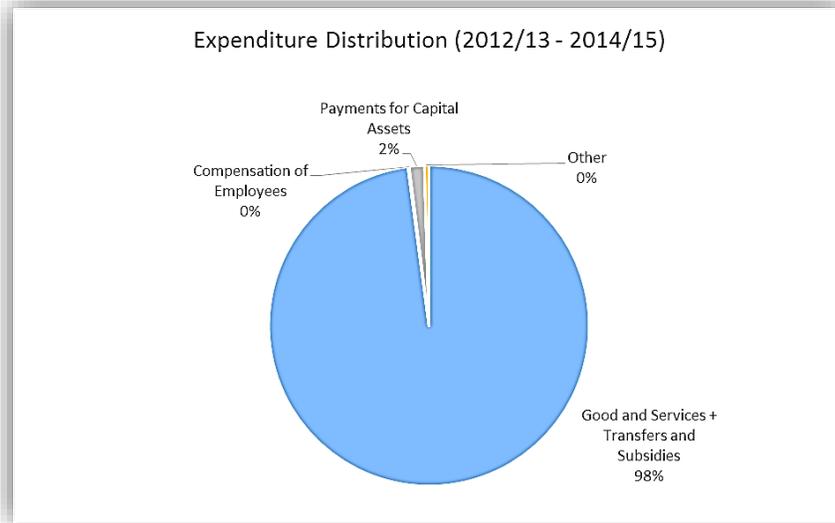
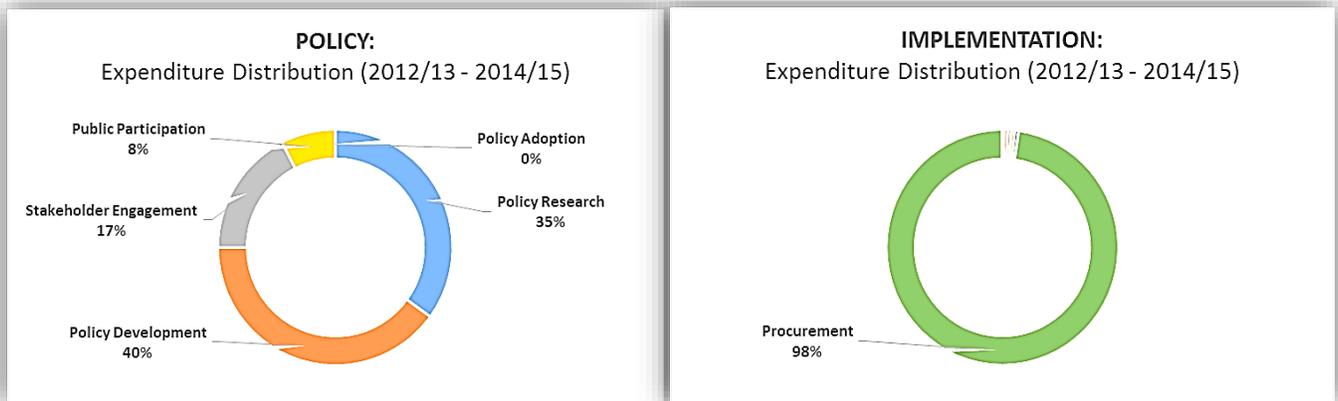


FIGURE 4: *Distribution of expenditure by programme element from 2012/13 to 2014/15*



2.1. Figure 3 shows the national distribution of expenditure on learner transport (all provinces) for each economic classification from 2012/13 to 2014/15. It is clear that expenditure on learner transport in provinces was mostly for *Goods and Services* and *Transfers and Subsidies*, accounting for approximately 98 per cent (or R5.314 billion) of all expenditure in the provinces. The expenditure was mainly for payments to transport operators because most provinces operate their learner transport programmes through independent operators. Some provinces classify the payments to transport operators as *Transfers and Subsidies*, hence its conflation with *Goods and Services*. It is only in Mpumalanga where the learner transport programme is completely internally operated by the province (“in-house”). The 2 per cent (R82.811 million) of total expenditure on learner transport by all

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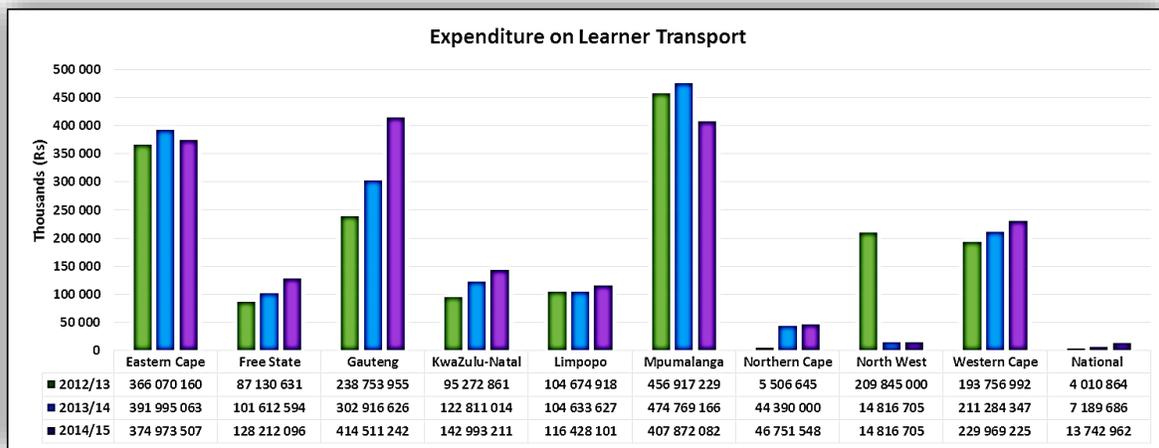
TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

provinces for *Payments for Capital Assets* was mainly for buses and IT equipment for the learner transport programme in Mpumalanga. Other (0%) represents expenditure on learner transport of R24.944 million by the National Department of Transport for policy development for learner transport policy.

- 2.2. Given the dominance of expenditure on *Goods and Services* (incl. the conflation with transfers and subsidies), no expenditure analysis per economic classification could be done. Such analysis in this case will not provide a better understanding of the dynamics in expenditure across economic classifications.
- 2.3. Figure 4 shows the national distribution of expenditure on learner transport (all provinces) for each element of the learner transport programme from 2012/13 to 2014/15. In terms of expenditure on policy by the National Department of Transport, *Policy Development* and *Policy Research* constituted approximately 75 per cent (R8.730 million and R9.997 million respectively) of total expenditure on learner transport policy. However, expenditure on policy as a whole makes up less than 1 per cent of total expenditure on learner transport. On the implementation side, *Procurement* dominated expenditure on learner transport constituting approximately 98 per cent (R5.208 billion) from 2012/13 to 2014/15. Expenditure on implementation of the programme made up more than 99 per cent (R5.328 billion) of total expenditure on learner transport.
- 2.4. Similar to the case of economic classifications, a useful and insightful expenditure analysis per programme element could not be done due to the dominance of expenditure on a single programme element, i.e. *Procurement*.

FIGURE 5: Total expenditure on learner transport at national and provincial level from 2012/13 to 2014/15



- 2.5. Figure 2 shows total expenditure on learner transport at national and provincial level, as determined through the PER process. The figure reveals the following:

- 2.5.1. From 2012/13 to 2014/15, a total of approximately R5.404 billion was spent by the provincial departments of Transport and/or Education on learner transport across all the provinces. Over the same period, the National Department of Transport

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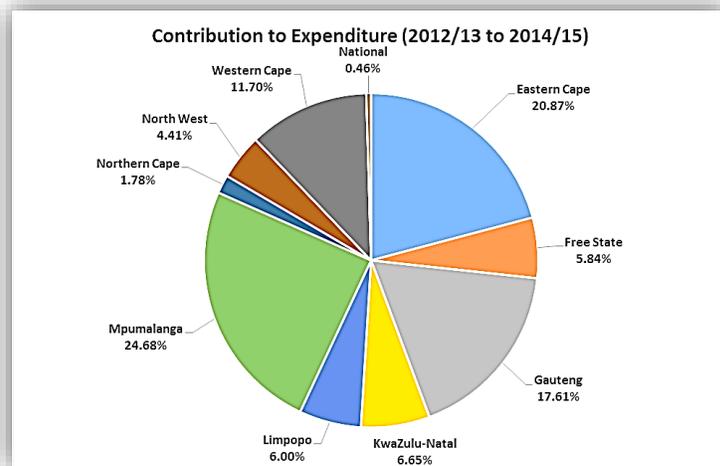
A Performance and Expenditure Review of Learner Transport in South Africa

spent approximately R24.944 million on developing national policy on learner transport. Therefore, a total of R5.429 billion was spent on learner transport by all levels of government from 2012/13 to 2014/15.

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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:
A Performance and Expenditure Review of Learner Transport in South Africa

FIGURE 6: Expenditure on learner transport per province as a percentage of total expenditure from 2012/13 to 2014/15



2.6. Figure 3 shows the expenditure by each province relative to total expenditure on learner transport expressed as a percentage. The figure reveals the following:

2.6.1. At R1.340 billion (24.68%), expenditure on learner transport was highest in Mpumalanga from 2012/13 to 2014/15. Over the same period, the Eastern Cape spent the second highest amount on learner transport at R1.133 billion (20.87%) and with the third highest expenditure on learner transport was Gauteng at R956.182 million (17.61%). The National Department of Transport spent the least on learner transport at R24.944 million (0.46%) from 2012/13 to 2014/15. Over the same period, the Northern Cape had the second lowest expenditure at R96.468 million (1.78%) and with the third lowest expenditure was the North West at R239.478 million (4.41%).

2.6.2. The relatively high expenditure in Mpumalanga can be attributed to the fact that the Department of Transport in the province has been investing in a departmental learner transport service provided by the province itself. This is different to other provinces who appoint independent bus operators to transport learners and consultants project planning and management. The financial implications of the "in-house" option that Mpumalanga has chosen have therefore been higher capital costs for the purchase of buses and related assets as well as the appointment of a permanent staff complement (drivers, administrators etc.) to operate the service.

2.6.3. The comparatively high levels of expenditure in the Eastern Cape can be mostly attribute to the vast rural land in the province. This means that the province has to provide learner transport across at higher premium due to the highly dispersed nature of communities in the province and poor road infrastructure. Moreover, a report by the Auditor-General (2016) on the learner transport programme in the Eastern Cape revealed that there are high levels of wasteful and fruitless expenditure on learner transport in the province. The report pointed towards the

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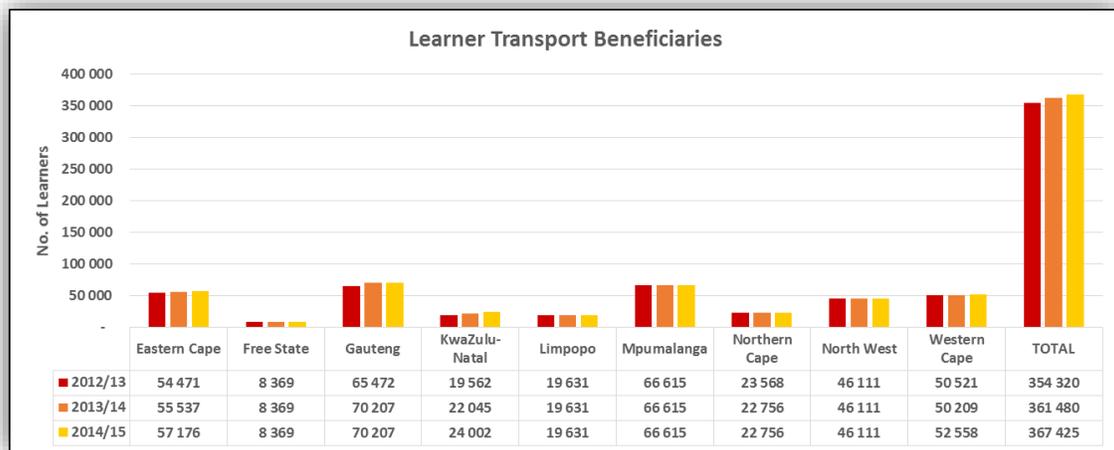
TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

ad hoc and disjointed nature of the programme; the lack of adequate fiscal rules and regulations underpinning the programme; and poor reporting, monitoring and evaluation as the main reason for the high inefficiencies in the implementation of the learner transport programme in the province.

2.6.4. The relatively low expenditure by the National Department of Transport can be attributed to the fact that the department is currently only responsible for developing a national policy on learner transport. The costs involved in its work include compensation of employees, business professional consultants as well as travel and subsistence and venues and facilities (for stakeholder engagements). By nature, these costs are significantly lower than those of actually providing a learner transport service.

FIGURE 7: Number of learners provided with school transport from 2012/13 to 2014/15



2.7. Figure 7 shows the number of learners that are provided with school transport by the relevant department in each province. The figure reveals the following:

2.7.1. From 2012/13 to 2014/15, an approximate annual average of 40 919 learners were provided with school transport by the provincial departments of Transport or Education across all the provinces.

2.8. Figure 8 shows the average total number of learners provided with school transport per year expressed as a percentage of the average total number of learners provided with school transport. The figure reveals the following:

2.8.1. With 68 629 learners (19%), the number of learners provided with school transport was highest in Gauteng from 2012/13 to 2014/15. Over the same period, Mpumalanga provided the second highest average number of learners with school transport per year at 66 615 learners (19%) and the third highest average number of learners provided with school transport per year was in the Eastern Cape with 55 728 learners (15%). The Free State provided the lowest average number of learners with school transport per year at 8 369 learners from 2012/13 to 2014/15.

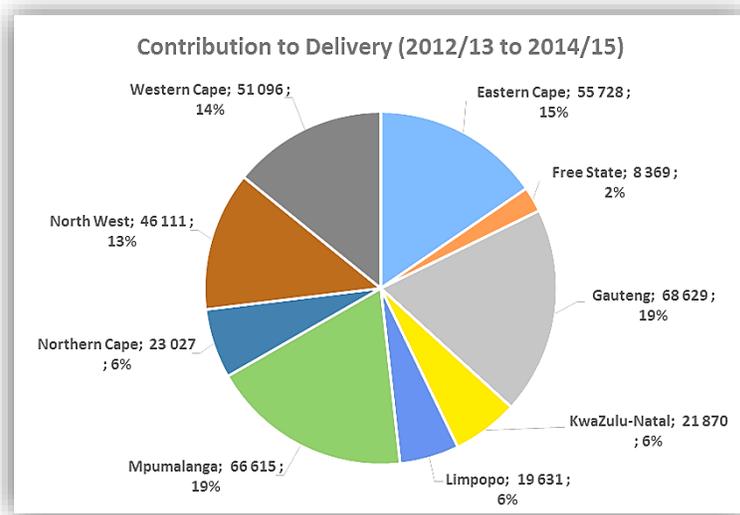
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TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

Over the same period, Limpopo provided the second lowest average number of learners with school transport per year with 19 631 learners (6%) and with the third lowest average number of learners provided with school transport per year was KwaZulu-Natal with 21 870 learners (6%) provided with school transport.

FIGURE 8: Average number of beneficiaries per province per year as a percentage of total average number of beneficiaries per year from 2012/13 to 2014/15



2.8.2. The relatively high number of learners provided with school transport in Gauteng can be attributed to the comparatively larger population size in the province. The province also has the highest number of poor households in absolute terms that has resulted in a higher demand for learner transport in the province. The population density in Gauteng also means that the provincial department is able to provide more qualifying learners with school transport. The number of schools in any given route is likely to be much higher than in other provinces, which decreases the marginal cost of providing an additional learner with school transport.

2.8.3. The "in-house" learner transport service provided by Mpumalanga may have had an impact on the higher number of learners it provides with school transport compared to some of the other provinces. While initial capital costs may be high to run a departmental learner transport service, when you exclude such costs the unit cost of providing an additional learner with school transport may be relatively lower than if the service is outsourced. This is because the department does not have to pay a for-profit price for its learner transport service as it would if it contracted an independent operator. All of this allows the department to enrol more learners on its learner transport service.

2.8.4. The relatively low population size in the Free State compared to some of the other provinces may have had an impact on the lower number of learners provided with school transport. The lower population size means that the number of poor households is lower in absolute terms, which may have resulted in lower demand

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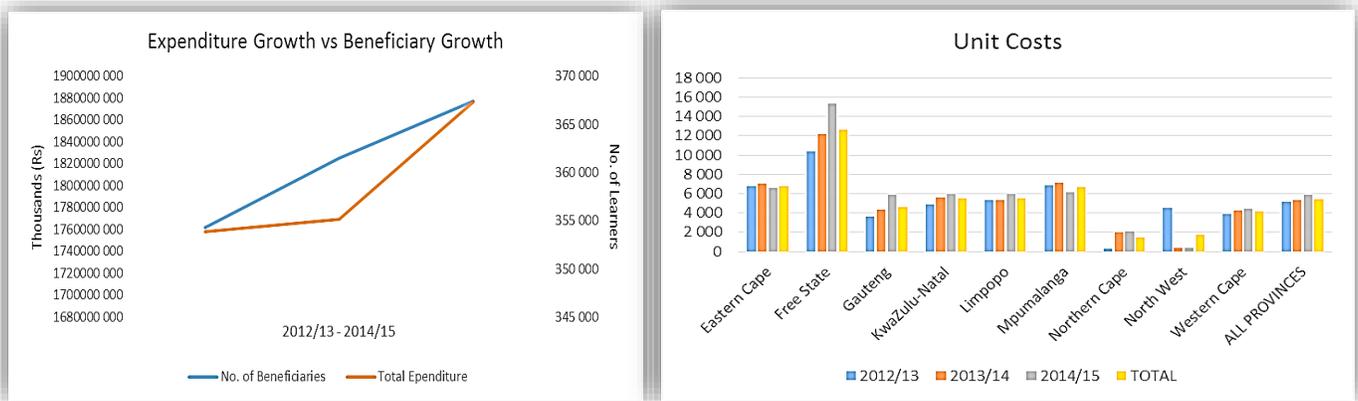
TRANSPORTING A GENERATION TO A BRIGHTER FUTURE:

A Performance and Expenditure Review of Learner Transport in South Africa

for the service in the province. Due to a lack of information, the PER process also made some assumptions about the number of learners provided with school transport in the Free State. Information for the number of learners was only available for 2012/13, that number was kept constant for subsequent years in review. The actual numbers may be higher than what is reported in this PER.

2.8.5. The comparatively low number of learners provide with school transport may also be subject to the biases presented by the assumptions on the number of learners made in the case of the Free State. Information was also only available for 2012/13 for Limpopo. So, the 2012/13 numbers were held constant for subsequent years in review. The actual numbers may be higher than what is reported in this PER.

FIGURE 9: Expenditure growth vs. beneficiary growth/Average cost per learner per year provided with school transport from 2012/13 to 2014/15



2.9. Figure 9 shows the growth of expenditure on learner transport by all province and the growth in the number of learners provided with school transport as well as the average cost of providing one learner with school transport for one year from 2012/13 to 2014/15:

2.9.1. From 2012/13 to 2014/15, the average unit cost for providing a learner with school transport was R5 445 per learner per year (or about R27.36 per learner per day in 199 school days). Data for the cost per kilometre travelled transporting learners was unavailable for all the provinces, so the national average unit cost (per kilometre) could not be determined. As a result, no value judgement can be about the unit costs as there it is unclear over what distances the cost per learner is applicable.

2.9.2. Expenditure growth on learner transport grew at a slower rate than the number of learners provided with school transport at beginning of the period in review. However, by the end of the review period expenditure on learner transport was growing at a faster rate than the number of learners provided with school transport. Expenditure growth from 2012/13 to 2014/15 was approximately 3.32 per cent at a national level. On the other hand, the growth in the number of beneficiaries of learner transport on was approximately 1.83 per cent. The expenditure and beneficiary growth rates suggest a general rise in unit costs over the review period.

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A Performance and Expenditure Review of Learner Transport in South Africa

Indeed, the unit costs in each province rose on average over the review period with exception of the Eastern Cape, Mpumalanga and the North West.

- 2.9.3. The average unit cost of providing a learner with school transport was highest in the Free State at approximately R12 624 per learner per year for the period 2012/13 to 2014/15. This equates to about R63.44 per learner per school day. For comparison, this is R1.44 more expensive than a return trip from Pretoria to Midrand (about 30 kilometres) using rapid rail (Gautrain) in 2016. Unit costs in the Free State also rose for each year over the review period at an average rate of approximately 21 per cent. Over the same period, the Eastern Cape had the second highest cost of providing a learner with school transport per year with a unit cost of R6 779 per learner per year. This is about R34.07 per learner per school day. Unit costs in the Eastern Cape were on a downward trajectory at the end of the review period. Unit costs rose in 2013/14 and declined in 2014/15 to a level lower than in 2012/13 resulting in an average annual unit cost growth was of about -1 per cent.
- 2.9.4. The average unit cost of providing a learner with school transport was lowest in the Northern Cape at approximately R1 413 per learner per year (or approx. R7.10 per learner per day) for 2012/13 to 2014/15. However, unit costs rose over the review period in the province by an average rate of approximately 197 per cent per year. Over the same period, the North West had the second lowest cost of providing a learner with school transport per year with a unit cost of R1 731 per learner per year (or approx. R8.70 per learner per day). Average unit cost per learner per year also decreased in the North West by about 73 per cent.
- 2.9.5. It is unclear what contributed to the relatively high unit costs in the Free State. Expenditure grew by an average of 21 per cent per year over the review period while the growth in beneficiaries remained stagnant at 8 369. In reality, this may not be the case because a lack of non-financial performance for 2013/14 and 2014/15 data led to the assumption that the number learners provided with learner transport remained constant over the review period.
- 2.9.6. The low unit costs in the Northern Cape can mostly be attributed to the extremely low expenditure on learner transport of R5.507 million in 2012/13 compared to expenditure in 2013/14 (R44.390 million) and 2014/15 (R46.752 million). As a result, expenditure growth during the period grew by a staggering average of 191 per cent per year. Given the negative growth in beneficiaries (lack of data led to assumption of constant rate of delivery), the low unit costs suggest that the learner transport programme in the province was introduced towards the end of the year in 2012/13.
- 2.9.7. Also important to note, are the declining unit costs in some of the provinces, i.e. the Eastern Cape, Mpumalanga and the North West. It is unclear how the negative average growth in unit costs was achieved in the Eastern other than that average annual expenditure growth (1.21%) was lower than average annual beneficiary growth (2.45%). This is especially puzzling given the highly critical report of the Auditor-General on learner transport in the Eastern Cape. The declining unit costs

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A Performance and Expenditure Review of Learner Transport in South Africa

in Mpumalanga are the result of declining average annual expenditure growth (5.52%) while the number of beneficiaries remained constant. This signals the *a priori* expectation that an “in-house” learner transport programme will incur high costs (by consequence unit costs) in its initial phase compared to subsequent years as expenditure is smoothed out over time and over a greater number of beneficiaries. It is unclear how the North West has been able to achieve average annual expenditure growth of -73.43 per cent over the review period, while the number of beneficiaries remained constant.

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3. CONCLUSION

3.1. Legislation

- 3.1.1. The body of legislation that affects learner transport in South Africa is unclear and ambiguous as to which sector department is ultimately responsible for the provision of learner transport. From a constitutional perspective, there are two competing rights: the right to education and the right to free movement.
- 3.1.2. In general, learner transport addresses both constitutional rights, but the right to education through the improvement of access to education is more prominent and discernible than freedom of movement. This suggests that the mandate should lie with the Department of Education. This view is further reinforced by the fact that the primary beneficiaries are learners and their respective schools.

3.2. Policy

- 3.2.1. There is currently no single nationally coordinated policy on learner transport. There is however a draft National Learner Transport Policy from the National Department of Transport out for public comment.
- 3.2.2. The National Department of Transport, on adoption of the national policy, will be responsible for the development and management of policy for learner transport. The National Department of Education will collaborate with the Department of Transport, but accountability will lie with the Department of Transport.
- 3.2.3. Learner transport is the ultimate responsibility of the department of Education in Gauteng, Limpopo and the Western Cape. It is the responsibility of the department of Transport in the Eastern Cape, the Free State, KwaZulu-Natal, Mpumalanga, the Northern Cape and the North West, although there are shared responsibilities with the respective departments of Education on the demand management side.
- 3.2.4. Learner transport programmes are implemented at the provincial level by either the provincial department of Transport or Education depending on the province. These programmes are currently informed by policy developed at the provincial level.
- 3.2.5. It is seemingly only Gauteng, KwaZulu-Natal, Limpopo and the Western Cape that have a documented learner transport policy. It is unclear what informs the learner transport programmes of the other provinces.
- 3.2.6. The lack of policy coordination at a national level has resulted in disjointed and highly differentiated learner transport services in the provinces. In some provinces like KwaZulu-Natal, the learner transport programme includes bus and train fare subsidies. In some provinces like the Western Cape, the provincial department manage the learner transport programme but the service is outsourced to independent operators. In some provinces like Mpumalanga, the learner transport programme is completely in-house (with bus fleets and drivers) and operated by the department.

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- 3.2.7. These differentiated learner transport services across provinces have different cost structures and implications that make service quality and cost difficult to measure and compare.

3.3. Expenditure

- 3.3.1. Government as a whole spent approximately R5.429 billion on learner transport from 2012/13 to 2014/15. More than 99 per cent of this expenditure was on the implementation of learner transport at the provincial level, while less than 1 per cent was for policy development at the national level.
- 3.3.2. Approximately R5.341 billion (or 98%) of expenditure on learner transport in the provinces was for *Goods and Services* and *Transfers and Subsidies*. The expenditure on these items was mostly for payments to transport operators which provinces classify differently in their accounting records (hence the conflation of *Goods and Services* with *Transfers and Subsidies*). About R82.811 million (or 2%) of expenditure on learner transport was for *Payments for Capital Assets* mostly for the purchase of vehicles and IT equipment in respect of the in-house learner transport programme in Mpumalanga.
- 3.3.3. Approximately R5.208 billion (or 98%) of expenditure on learner transport was in the *Procurement* programme element (in respect of payments to transport operators).
- 3.3.4. Expenditure on learner transport was highest in Mpumalanga, the Eastern Cape and Gauteng with a combined contribution to expenditure of approximately R3.429 billion (or 64%) from 2012/13 to 2014/15. Expenditure was lowest in the Northern Cape, the North West and the Free State with a combined contribution to expenditure of approximately R653.082 million (or 12%) over the same period.

3.4. Performance

- 3.4.1. Government as a whole provided an average of about 361 000 learners per year with school transport from 2012/13 to 2014/15. Most of these learners were from Gauteng (19%), Mpumalanga (19%), the Eastern Cape (15%) and the Western Cape (14%).
- 3.4.2. The average cost of transport per learner per year (unit cost) was lowest in the Northern Cape (R1 413), the North West (R1 731) and the Western Cape (R4 140). Unit costs were highest in the Free State (R12 624), the Eastern Cape (R6 779) and Mpumalanga (R6 703).
- 3.4.3. On average, unit costs decreased from 2012/13 to 2014/15 in the North West (-73%), Mpumalanga (-6%) and the Eastern Cape (-1%). In the case of Mpumalanga, the unit cost were high due to the initial capital costs involved in setting up an in-house learner transport programme. The significant fall in unit costs over the period suggests that there may be merit in the approach of the province.

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